

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2016-00095

ORDER

On May 20, 2002, Natural Energy Utility Corporation (“Natural Energy”) adopted the tariffs, including a Purchased Gas Cost Adjustment Clause,¹ for furnishing gas service to the customers previously served by American Natural Gas Corporation.

On February 25, 2016, Natural Energy filed its Gas Cost Recovery (“GCR”) rate application to become effective April 1, 2016.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy’s notice includes a revised rate designed to pass on to its customers its expected change in wholesale gas costs.

2. Natural Energy’s notice sets out an Expected Gas Cost (“EGC”) of \$3.7135 per Mcf. Natural Energy miscalculated its EGC by using incorrect sales volumes. On Schedule II of its application, Natural Energy’s sales for the 12 months ended December 31, 2015, do not match the sum of the monthly sales provided in Schedule IV of this application and Natural Energy’s three previous applications. Correcting this produces sales volumes of 107,060 Mcf instead of 105,500 Mcf. Natural

¹ Natural Energy Utility Corporation Tariff, PSC Ky. No. 1, First Revised Sheet No. 17 (effective Apr. 15, 2006).

Energy's corrected EGC is \$3.6594, which is a decrease of \$.0898 per Mcf from the previous EGC of \$3.7492 per Mcf.

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment.

4. Natural Energy's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.2744) per Mcf. Correcting the ACA to use 107,060 Mcf rather than 105,500 Mcf for its sales for the 12 months ended December 31, 2015, produces a corrected current quarter ACA of (\$.2704) per Mcf. Natural Energy's corrected total ACA is (\$.9872) per Mcf, which is a decrease of \$.1951 per Mcf from the previous total ACA of (\$.7921) per Mcf.

5. Natural Energy's corrected GCR rate is \$2.6722 per Mcf, which is a decrease of \$.2849 per Mcf from the previous GCR rate of \$2.9571 per Mcf.

6. The rate set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Natural Energy on and after April 1, 2016.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Natural Energy is denied

2. The rate set forth in the Appendix to this Order is approved for service rendered by Natural Energy on and after April 1, 2016.

3. Within 20 days of the date of this Order, Natural Energy shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED
MAR 18 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Carson D. Guensold
Acting Executive Director *for*

Case No. 2016-00095

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00095 DATED **MAR 18 2016**

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$2.6722	\$6.9122

Minimum Bill

The minimum bill shall be \$6.9122

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